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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2013 NOV 15 A 11: 01

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

AZ CORP COMMISSION
DOCKET CONTROL

In the matter of:

DOCKET NO. S-20876A-13-0376

JAMES F. LIEBES, CRD #2332174, a single
man, and

**Motion to Consolidate Hearings and
Recommendation to Continue December 2nd
Hearing** Arizona Corporation Commission

LANESBOROUGH FINANCIAL GROUP
LLC, an Arizona limited liability company,

DOCKETED

Respondents.

NOV 15 2013

DOCKETED BY

The Securities Division of the Arizona Corporation Commission ("Division") respectfully requests that the presiding Administrative Law Judge ("ALJ") consolidate the hearing in Docket No. S-20876A-13-0014, currently scheduled to begin December 2, 2013, with the hearing (yet to be scheduled) for the matter in Docket No. S-20876A-13-0376. Further, unless Respondents request that that the December 2nd hearing proceed as scheduled, the Division recommends that this hearing be continued.

MEMORANDUM OF POINTS AND AUTHORITIES

BACKGROUND

The Division first filed a Notice of Opportunity against the Respondents on January 28, 2013 (the "Notice"). The Division served the Notice on Respondents and Respondents timely filed a request for hearing and an answer. On April 26, 2013 the ALJ issued a procedural order scheduling a hearing for this matter on December 2 through December 6. In this procedural order, the ALJ also ordered that the Division and the Respondents exchange copies of their exhibits and their witness lists on October 18, 2013. The Division has complied with this procedural order. As

1 of the time that the Division is filing this Motion, Respondents have not provided copies of their
2 exhibits or other documents.

3 In late August 2013, a client of Respondents filed a complaint with the Division. When the
4 Division investigated the allegations in this additional complaint, the Division found evidence that
5 after the Division filed the Notice Respondents committed additional, ongoing violations of the
6 Securities Act. These included violations of A.R.S. § 44-1991. Consequently, on November 5,
7 2013, the Division filed a Temporary Order to Cease and Desist, Docket No. S-20876A-13-0376
8 (the "TC&D").

9 The Division served Respondents with the TC&D on November 14, 2013. Pursuant to
10 A.R.S. § 44-1972 and A.A.C. Rule 14-4-307, within 20 days of the Division serving Respondents
11 with the TC&D, Respondents may request a hearing and within 30 days of service, Respondents
12 may file an answer.

13 CONSOLIDATION OF HEARINGS

14 Consolidation of the hearings for the Notice and the TC&D would allow for increased
15 clarity of the issues, convenience for the witnesses involved, and efficiency in use of Commission
16 resources. If the hearings were to be done separately, the Division estimates that each hearing
17 would take 2-3 days. If consolidated, the Division believes it can effectively present its case for
18 both the Notice and the TC&D in three days.

19 There are several reasons for this increased efficiency. The Respondents listed in the
20 TC&D are the same as those in the Notice; there are no additional respondents. Both the Notice
21 and the TC&D include some of the same factual allegations. In fact, the TC&D cites to and
22 incorporates portions of the Notice. Consequently, the Division will use some of the same
23 witnesses and exhibits to establish the allegations in the Notice and the TC&D. If there were two
24 hearings, the second hearing would involve a repetition of some of the evidence and testimony
25 presented in the earlier hearing. Consolidation would allow the Division and Respondents to
26

1 schedule their witnesses for a single hearing and not recall these witnesses at a later date for a
2 second hearing.

3 RECOMMENDATION OF CONTINUANCE OF HEARING

4 The Division served Respondents with the TC&D on November 14, 2013. Respondents
5 now have 20 days to request a hearing and 30 days to file an answer to the TC&D. Both the 20-day
6 and 30-day time periods will conclude after the December 2nd hearing date for the Notice. While
7 the Division could present its case on the Notice as scheduled, in order to give the Respondents
8 time to respond and for the efficiency reasons set for above, unless Respondents request that the
9 December 2nd hearing go on as scheduled the Division recommends that this hearing be continued.

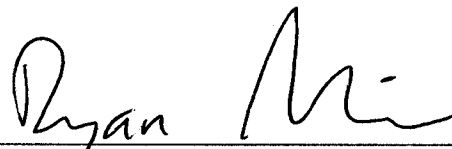
10 CONCLUSION

11 The consolidation of the hearings for the Notice and the TC&D into a single, three- to four-
12 day event allows for the efficient presentation of evidence, does not inconvenience certain
13 witnesses by requiring them to appear and offer essentially the same testimony at two hearings, and
14 eliminates wasting Commission facilities and other resources on two separate hearings.

15 Accordingly, the Division requests that the hearings for the Notice and the TC&D be
16 consolidated and recommends that the current hearing date be continued.

17 RESPECTFULLY SUBMITTED on November 15, 2013.

18
19 By



20 Ryan J. Millecam

21 Attorney for the Securities Division of the
22 Arizona Corporation Commission
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1 ORIGINAL AND EIGHT COPIES of the foregoing
2 filed on November 15, 2013, with

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8 on November 15, 2013, to:

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